

March 13, 2007

Honorable Chuck Reed
Mayor
City of San José
200 East Santa Clara Street
San José, CA 95113

Subject: Coyote Valley Specific Plan Water Supply Evaluation

Dear Mayor *Reed* *chuck*:

The City of San José and the Santa Clara Valley Water District have been working closely for several years on a number of important issues in Silicon Valley. One of those issues is the Coyote Valley Specific Plan (CVSP). As the water resource management agency for Santa Clara County, the Santa Clara Valley Water District has a strong interest in the CVSP reflecting and supporting our policies related to water supply, flood protection, and environmental stewardship. As the attached letter from our Chief Executive Officer Stan Williams to your City Manager explains, District staff believes the City's Water Supply Evaluation for the CVSP is consistent with our water supply policies.

We stress, however, that meeting the water supply needs for the CVSP will no doubt require significant and probably expensive investments. Such investments may need to come primarily from the new development and not necessarily be blended with current users. Moreover, the assumption of the ability to use recycled water for recharge has not been proven as of yet. We are committed to such expansion of recycled water use if feasible, but we must wait for the technical assessments to be concluded.

Our understanding is that our staffs will continue working together on preparing the Environmental Impact Report for CVSP and that the District will be involved in selecting preferred water supply alternatives for CVSP. While there is still much work to be done, the collaborative relationship our agencies have been developing while working on CVSP and other issues will serve us well as we move forward.

I look forward to our next joint meeting. In the mean time, please feel free to contact me or Stan Williams if there is anything you wish to discuss.

Sincerely,


Tony Estremera
Chair, Board of Directors

Attachment

March 13, 2007

Mr. Les White
City Manager
City of San José
200 East Santa Clara Street
San José, CA 95113

Subject: Coyote Valley Specific Plan Water Supply Evaluation

Dear Mr. White:

The purpose of this letter is to transmit Santa Clara Valley Water District (District) comments on the City of San José's Water Supply Evaluation (WSE) for the Coyote Valley Specific Plan (CVSP). City staff worked closely with District staff on the WSE and based much of the analysis in the WSE on the District's Water Supply Availability Analysis and 2005 Urban Water Management Plan. The WSE predicts a water supply deficit of 10,500 acre-feet per year at CVSP build-out. District staff finds that the City's evaluation of water supplies that can fill that deficit are consistent with District Board policies, as discussed below.

The City recommends maximizing recycled water use, to the extent possible, for non-potable water demands and supplemental groundwater recharge requirements. Identified sources of recycled water are the San Jose/Santa Clara Water Pollution Control Plant or the South County Regional Wastewater Authority. The WSE also notes that the District will require any recycled water that has the potential to infiltrate into the Coyote Groundwater Subbasin to undergo full advanced treatment in order to protect groundwater quality. This approach of using advanced treated recycled water balances the District policies to aggressively protect the groundwater basin from contamination and to expand recycled water use in partnership with the community.

The WSE notes that an additional 6,000 afy in the Coyote Subbasin via new recharge facilities will safely increase groundwater withdrawal from the Subbasin to the maximum sustainable long-term amount, which is 13,000 afy. This is consistent with District staff analyses and consistent with District policy to sustain and protect groundwater resources.

We agree with the City that our agencies should continue to work together to identify and develop aggressive water conservation measures and policies that will need to be included in the Coyote Valley detailed development design and construction. This is consistent with our policy that water conservation is implemented to the maximum extent that is practical.

In the event that all of the projected groundwater recharge requirements in Coyote Valley cannot be met using recycled water due to regulatory limits on volume and residence time in the groundwater subbasin or it is not feasible to do so, sufficient alternatives for water supply are documented in the WSE. These alternatives include groundwater recharge reuse (using advanced treated recycled water for groundwater recharge) in the Santa Clara Valley Subbasin in exchange for using Santa Clara Valley Subbasin supplies in Coyote Valley. The City's finding

Mr. Les White
Page 2
March 13, 2007

that there is enough evidence to support a finding that sufficient water supplies will be available to support CVSP build-out concurrent with 2030 County-wide demand is consistent with District policy for long-term water supply reliability.

The District will participate in selecting preferred alternatives for CVSP water supply so that the selection does not have a deleterious effect on water supply reliability in other parts of the county and is consistent with long-term planning goals. As the groundwater management agency and a water wholesaler, the district will operate and maintain any recharge facilities, diversion, turnouts, and pipelines to recharge facilities. For treated water, the District will have the responsibility for any pipelines up to retailer turnouts. Additionally, the District is the recycled water wholesaler for the CVSP area, and so might also deliver recycled water to CVSP from the South Bay Water Recycling Program and/or from South County Regional Wastewater Authority, if that water is used as a supply source.

I believe our staffs' close and collaborative working relationship has been and will continue to be a benefit to both our agencies. Water resources issues are a critical component of development planning. Working together enables the City to develop land use plans that are consistent with District water resource management policies and enables the District to develop water resource plans that are consistent with City land use policies.

Please do not hesitate to contact me or Assistant Operating Officer Melanie Richardson at (408) 265-2600 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanley M. Williams", written in a cursive style.

Stanley M. Williams
Chief Executive Officer